

July 16, 2004

David R. Smith
Environmental Manager
Shieldalloy Metallurgical Corporation
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14 West Boulevard
P.O. Box 768
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SUBJECT: SUMMARY OF THE JUNE 29, 2004, MEETING BETWEEN U.S. NUCLEAR
REGULATORY COMMISSION (NRC) STAFF AND SHIELDALLOY
METALLURGICAL CORPORATION TO DISCUSS INTERIM GUIDANCE FOR A
LONG TERM CONTROL POSSESSION ONLY LICENSE AT THE
SHIELDALLOY SITE IN NEWFIELD, NEW JERSEY

Dear Mr. Smith:

Enclosed is a summary of the June 29, 2004, meeting between the U.S. Nuclear Regulatory Commission staff and representatives of Shieldalloy Metallurgical Corporation (SMC) to discuss the guidance that NRC staff had transmitted to SMC on May 15, 2004, "Nuclear Regulatory Commission Staff Interim Guidance for a Long Term Control Possession Only License at the Shieldalloy Metallurgical Corporation Site in Newfield, New Jersey."

A draft copy of this summary was provided to you for comment. As you had no comments, this final version is the same as the draft that you reviewed. If you have any questions regarding this letter, please call me at 301-415-6664 or email me at klk@nrc.gov.

Sincerely,

/RA/

Kenneth L. Kalman, Project Manager
Materials Decommissioning Section
Decommissioning Directorate
Division of Waste Management
and Environmental Protection
Office of Nuclear Material Safety
and Safeguards

cc:
Eric Jackson, President
Jill Lipoti, Ph.D., NJ DEP
Donna Gaffigan, NJ DEP
Trevor Anderson, US EPA
L. Williams, Newfield Resident
T. Ragone, Newfield Resident

Enclosure: Meeting Summary of June 29, 2004

Docket No.: 04007102
License No.: SMB-743
Control No.: 132074

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DISTRIBUTION:

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ML041970534 Attendees List ML041960574 Package ML041970477 *See previous concurrence

OFFICE	DWMEP	DNMS/RI	DWMEP	DWMEP	OGC
NAME	KKalman*	MMiller*	GSmith*	RLJohnson*	KBarberNolan*
DATE	07/16/04	07/08/04	07/15/04	07/15/04	07/12/04

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SUMMARY OF THE JUNE 29, 2004, MEETING BETWEEN U.S. NUCLEAR REGULATORY COMMISSION (NRC) STAFF AND SHIELDALLOY METALLURGICAL CORPORATION TO DISCUSS INTERIM GUIDANCE FOR A LONG TERM CONTROL POSSESSION ONLY LICENSE AT THE SHIELDALLOY SITE IN NEWFIELD, NEW JERSEY

On June 29, 2004, the United States Nuclear Regulatory Commission (NRC) staff met with representatives of Shieldalloy Metallurgical Corporation (SMC) to discuss the guidance that NRC staff had transmitted to SMC on May 15, 2004, "Nuclear Regulatory Commission Staff Interim Guidance for a Long Term Control Possession Only License at the Shieldalloy Metallurgical Corporation Site in Newfield, New Jersey." Staff from the New Jersey Department of Environmental Protection (NJDEP) and two stakeholders from the public arena also participated by telephone (See Attachment 1).

The NRC staff provided an overview of the guidance, and explained that SMC's previous decommissioning plan (DP) submittal was rejected by NRC staff, because of deficiencies with the proposed institutional controls, independent third party, financial assurance amount for control and maintenance of the engineered cell cap, and early documentation of advice received from affected parties. After several interactions with NRC staff, SMC expressed interest in the long-term control (LTC) possession only license, which was one of the NRC staff's recommended options that the Commission approved to resolve the institutional control/restricted use issue addressed in the staff's License Termination Rule Analysis in SECY-03-0069. As a result of SMC's interest, the NRC staff prepared the interim guidance specifically for SMC to use in revising its DP in the areas of institutional controls and financial assurance.

During the meeting, NRC staff led SMC through a page-by-page discussion of the interim guidance document and responded to questions as they arose from both SMC and the stakeholders. SMC said that it understood the interim guidance and was prepared to begin revising its DP.

In addition, the path forward for future activities was discussed. The first item discussed was how SMC would continue to seek advice from its stakeholders consistent with the requirements in the LTR now that the interim guidance was available. NRC staff emphasized the requirements for "... participation by representatives of a broad cross section of community interests..." In addition, NRC staff noted that these requirements are focused only on the licensee seeking the advice of affected parties on specific institutional control and financial assurance questions, which in this case would be the LTC license approach. SMC agreed to consider opening these meetings in much the same way as some NRC/Licensee meetings are open to the public: the public may attend the meeting but is only afforded specifically designated opportunities to speak. Finally, SMC stated that it plans on holding another site specific advisory board meeting at the site some time in late August 2004 and may invite NRC staff to participate in that meeting.

Another path forward item discussed was the need for NRC and SMC staff to meet again for SMC to present its approach on environmental issues and specific dose assessment approaches to implement the interim guidance. These meetings would be a continuation of NRC's phased approach for restricted use sites where pre-DP consultations are intended to address key issues to improve the quality of DP submittals. SMC agreed to contact NRC to

schedule these meetings. Finally, SMC anticipates providing a schedule to NRC, by October 2004, for the submittal of its DP.

During this meeting, stakeholders were also given the opportunity to comment. In particular, NJDEP summarized its June 25, 2004, letter to NRC's Chairman stating its concerns with NRC's LTC approach and the interim guidance and decommissioning of the site (See Attachment 2). The NRC staff said that it will be preparing a written response to this letter. NJDEP also expressed a concern with the length of time that the site would remain in its current condition with the bag house dust and slag plies uncovered.

Attachments:

1. SMC Meeting Attendees (ML041960574)
2. June 25, 2004 Letter to Chairman Diaz (ML041890140)